

# press release

## **Standard Chartered & 21<sup>st</sup> Century Business Herald release entrepreneurship survey findings**

**Survey reveals the unmet needs of SMEs in China.**

**Bank reaffirms commitment to entrepreneurship with the strengthened customer offering.**

**9 November 2010, Beijing** - Standard Chartered Bank (China) Limited (“Standard Chartered China”) and 21<sup>st</sup> Century Business Herald today jointly released the results of a landmark survey into the needs of small and medium-sized enterprises (SMEs) in China which underscores the importance of financial institutions in continuing to innovate to support the unmet needs of Chinese entrepreneurs.

According to the “Chinese Entrepreneur Group Survey White Paper” (the White Paper), representing the opinions of 2,000 SMEs, Chinese entrepreneurs face challenges in obtaining financing to support the longer term growth of their businesses.

The White Paper reveals that just over half (59%) of the SMEs surveyed have obtained financing to support the growth of their business. Of these, 86% rely on commercial banks as a source of funding. However, majority of the loans obtained from banks were short-term leaving their medium and longer-term financing needs unmet.

Almost 62% of SMEs in the study expressed concern regarding future access to funding to support the continued growth of their businesses.

SMEs surveyed also relied on other private borrowings to fund their business needs including inter-company financing (4.7%), loans from friends and relatives (4%) and pawn shops (1.5%). Apart from access to financing, SMEs also expressed their needs for transactional banking (17.4%), risk management (35.4%), and increasing return on capital (34.7%).

**Mr Michael Pratt**, Regional Head of Consumer Banking, North East Asia, said, “The launch of ‘Chinese Entrepreneur Group Survey’ is another testimony to Standard Chartered’s commitment to the entrepreneurs and SMEs that play a vital role in the growth of China’s economy but still remain under-served and under-banked. Standard Chartered was the first international bank to provide a dedicated team in China to service SMEs in 2003 and this survey again reflects our position as the leading international bank for SMEs.”

**Mr Liu Zhouwei**, Chief Editor and founder of 21<sup>st</sup> Century Business Herald, said, “As the leading financial newspaper in China, we are aligned with the government’s initiative on supporting SMEs. This survey, which we jointly launched with Standard Chartered,

has focused on understanding SMEs' financing challenges, with particular emphasis on uncovering the needs of Chinese entrepreneur groups. As the most important financing channel for SMEs, the ability of banks to innovate is becoming more and more important."

The White Paper also highlighted some areas in which government, banks and SMEs can work together to support entrepreneurship in China including:

- Government to help optimise the investment and financing environment;
- Banks to enhance innovation on products to meet the diversified and changing needs of SMEs;
- SMEs to proactively transform their businesses and build a solid relationship with their bank.

Mr Pratt said: "Standard Chartered is investing heavily in product and service innovation to deliver one-stop financial solutions for SMEs in China. As trade corridors develop in China and also the Greater China region, Standard Chartered will continue to enhance our onshore and cross-border capabilities to facilitate the development of China's SMEs.

"As one of the Bank's most strategically important markets, China is amongst the first locations in the world to receive our enhanced customer offering which aims to fulfil SMEs' working capital, business expansion, business protection and yield enhancement needs," he said.

As Standard Chartered continues to establish leadership in SME Banking, the bank will be adding another 180 SME Banking Relationship Managers within the next year and double the team in the next three years. The bank expects to grow its SME Banking business at double the rate of the industry.

The Chinese Entrepreneur Group Survey is the most recent systematic and in-depth study into the entrepreneur groups in China. The survey was conducted widely across China including in Jiangsu, Zhejiang, Fujian and Guangdong.

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## **Note to Editors:**

### **Standard Chartered – leading the way in Asia, Africa and the Middle East**

Standard Chartered PLC is a leading international bank, listed on the London, Hong Kong and Mumbai stock exchanges. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years.

With 1,700 offices in 70 markets, Standard Chartered offers exciting and challenging international career opportunities for its 80,000 staff. It is committed to building a sustainable business over the long term and is trusted worldwide for upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. The Bank's heritage and values are expressed in its brand promise, 'Here for good'.

In China, the Bank set up its first branch in Shanghai in 1858 and has remained in operation throughout the past 150 years. Standard Chartered Bank (China) Limited is one of the first foreign banks to locally incorporate in China in April 2007. This demonstrates the Bank's commitment to the China market, and its leading position as a foreign bank in the banking industry.

Standard Chartered has one of the largest foreign bank networks in China – with 17 branches, 42 sub-branches and 1 Village Bank. Approval for the setting up of the Wuhan and Xian branch has been granted and preparation is in progress.

In 2009, Standard Chartered China is named by the *Economic Observer* as the "Best Trade Finance Bank in China". It also clinched the *Economic Observer's* "Best Innovation in Cash Management" award, *Global Finance's* "Best SME Lending Bank" and the *China Business News's* "Outstanding Corporate Award of 2008 Corporate Social Responsibility Ranking in China".

For more information on Standard Chartered, please log on [www.standardchartered.com](http://www.standardchartered.com)